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DE RUEHC #2389/01 3341324
ZNR UUUUU ZZH
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FM SECSTATE WASHDC
TO RUEHOT/AMEMBASSY OTTAWA 0572
INFO RUEHMT/AMCONSUL MONTREAL 0062
RHMCSSU/FBI WASHINGTON DC 7138
RUEAIIA/CIA WASHINGTON DC
RUCPDOC/USDOC WASHINGTON DC 6124
RUEKJCS/SECDEF WASHINGTON DC
RUEPINS/HQ BICE INTEL WASHINGTON DC 0778

UNCLAS SECTION 01 OF 03 STATE 122389

SIPDIS
OTTAWA FOR LORI BALBI

E.O. 12958: N/A

TAGS: ETTC KOMC CA

SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK
ON THE EXPORT OF U.S. DEFENSE ARTICLES CITING THE CANADIAN
EXEMPTION

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls
Compliance (PM/DTCC) requests Embassy's assistance in
conducting a post-shipment check on transactions citing the
Canadian exemption for the export of Gyroscopic compasses to
Canada. Embassy is requested to complete this Blue Lantern
check within 45 days. Lack of response to a Blue Lantern
check will affect pending and future licenses involving
parties to this license.

¶3. Reason for request: Under ITAR 126.5 (Canadian Exemption),
certain United States Munitions List (USML) items may be
exported to Canada without a license. Some items on USML
Categories XI and XII - which includes gyroscopic compasses -
may be subject to Missile Technology Control Regime (MTCR)
restrictions and may require a license depending on commodity
specification and type. DDTC requests this check based on
vague description of commodity and end-use in export filing.

¶4. ACTION OTTAWA: Mission Canada is requested to make
inquiries with appropriate Bell Helicopter Txtrn Ltd. (Bell)
and Elcan Optical Technologies (Elcan) officials to obtain
all relevant details regarding the export of gyroscopic
compasses to Canada citing the Canadian exemption, including
exact commodity description and technical parameters for
performance and capability, number, type, dollar value, and
serial number of items. (See paragraph 5 for details of
export, including filer identification and shipping reference
numbers.)

The following questions are provided as suggested guidance:

--What were the exact United States Munitions List (USML)
articles exported to you on (for Bell) June 21st 2007, and
For Elcan on January 21st, March 17th and May 6th 2008?
(Automated Export System (AES) filing data provides the
following information, for Bell "gyroscopic compasses other
than el", and for Elcan "gyroscopic compasses, electrical,
except for".) Please provide detail on model, type and
technical specifications.

--What is the exact end-use for these USML items? Will Bell
(or Elcan) be the sole end-user and retain positive control
over the gyroscopic compasses at all times? Will they be
transferred to other end-users in Canada or re-exported?

--Does the company understand the restrictions on USML items,
especially the prohibition against unauthorized re-transfer
and re-export?

END ACTION.

15. Details of the AES filings:

--EXPORT 1 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - Vague description cited as, "gyroscopic compasses other than el"

Stated Value: USD 35,336.00

Export Date - 21 June 2007

ITAR Exemption Number - 126.5B

Filer Identification Number - 943083515

Shipping Reference Number - 5459215234717

Export Identification Code - 22264065000

U.S. EXPORTER:

Honeywell, Inc.
23500 W. 105th St.

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SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK
ON THE EXPORT OF U.S. DEFENSE ARTICLES CITING THE CANADIAN
EXEMPTI

Olathe, KS 66061
POC is Ron Thorton, Tel. 913-712-2142

ULTIMATE CONSIGNEE

Bell Helicopter Txtrn Ltd.
12 800 Rue De Lavenir
Mirabel
Canada J7J1R4
POC is Joseph Dakka, No Tel. provided

--EXPORT 2 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - Vague description cited as, "gyroscopic compasses, electrical, except for"

Stated Value: USD 14,175.00

Export Date - 21 January 2008

ITAR Exemption Number - 126.5B

Filer Identification Number - 30117050

Shipping Reference Number - 58911X

Export Identification Code - 95247994200

U.S. EXPORTER:

BAE Systems Inertial Products
250 Knotter Dr.
Cheshire, CT 06410
POC is Mr. Gamanche, Tel. 203-250-3617

ULTIMATE CONSIGNEE

Elcan Optical Technologies
450 Leitz Rd.
Midland, Ontario
Canada L4R5B8
POC is Mr. Beiers, Tel. 705-528-7107

--EXPORT 3 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - Vague description cited as, "gyroscopic compasses, electrical, except for"

Stated Value: USD 11,340.00

Export Date - 17 March 2008

ITAR Exemption Number - 126.5B

Filer Identification Number - 30117050

Shipping Reference Number - 59243X

Export Identification Code - 95247994200

U.S. EXPORTER:

Atlantic Inertial Systems, Inc.
250 Knotter Dr.
Cheshire, CT 06410
POC is Mr. Strazzeri, Tel. 203-250-3617

ULTIMATE CONSIGNEE

Elcan Optical Technologies
450 Leitz Rd.
Midland, Ontario
Canada L4R5B8
POC is Mr. Beiers, Tel. 705-528-7107

--EXPORT 4 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - Vague description cited as, "gyroscopic compasses, electrical, except for"

STATE 00122389 003 OF 003

Export Date - 6 May 2008

ITAR Exemption Number - 126.5B

Filer Identification Number - 30117050

Shipping Reference Number - 59611X

Export Identification Code - 95247994200

U.S. EXPORTER:

BAE Systems Inertial Products
250 Knotter Dr.
Cheshire, CT 06410
POC is Mr. Strazzeri, Tel. 203-250-3617

ULTIMATE CONSIGNEE

Elcan Optical Technologies
450 Leitz Rd.
Midland, Ontario
Canada L4R5B8
POC is Mr. Beiers, Tel. 705-528-7107

¶6. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Tim Mazzarelli, Phone: 202-663-3867; Email: MazzarelliTP@state.gov; SIPRNET: MazzarelliTP@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program.

¶7. Department is grateful for post's assistance in this matter.
CLINTON